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DIVISION OF  
OIL, GAS & MINING

Dec. 8, 1989

Mr. Holland Sheperd  
Reclamation Soils Specialist  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Dear Mr. Sheperd:

Re: Request for time extension of finalization of permit transfer and release of reclamation surety, Drum Mine, M/027/007, Millard County, Utah.

I must apologize for the continued delay in the resolution of differences between Western States Minerals and Jumbo Mining Company. Western States Minerals has continued to work toward a equitable agreement with Jumbo Mining Company and appears to be within a few weeks of finally settling our differences. At least that is what the attorney has told us.

The other reason for the delay is that our parent company, S.J. Groves decided to sell Western States Minerals. When the sale became imminent I was told to hold off on any resolution until the sale was finalized. It was anticipated that this would be accomplished by Oct. 1, 1989. The sale was actually finalized on Nov. 14, 1989. I was unable to work on any reclamation during this time, however, we did continue the negotiations with Jumbo Mining Company. The continuance of these negotiations has gotten us where we are today. As soon as we can get the differences resolved we plan on initiating the reclamation plan that we discussed on Sept. 12, 1989.

*← This means this winter or spring HWS*

I will keep you informed when anything else develops as I would like to start the reclamation as soon as possible. If you have any questions please call me at (702) 677-0740.

Sincerely,

*Richard D. McNeely*  
Richard D. McNeely